

DELAWARE STATE POLICE TROOP 7 ADAPTIVE REUSE STUDY

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF FACILITIES MANAGEMENT

APRIL 30, 2020 / FINAL



ARCHITECTS ■ ENGINEERS ■ FACILITIES SOLUTIONS

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Hillis-Carnes Engineering Associates, Inc. | Environmental Site Assessment

G.M. Records, Inc. | Land Appraisal

VanDemark & Lynch, Inc. | Site Redevelopment Capacity Study

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Appendices provided as individual attachments.

EXECUTIVE SUMMARY

Overview

StudioJAED was contracted by the State of Delaware, Office of Management and Budget - Division of Facilities Management in August 2019 to perform an Adaptive Reuse Study of the Delaware State Police Troop 7 facility located at 18006 Coastal Highway, Lewes, Delaware. The general scope of work delineated in Section 31 of the Delaware Bond and Capital Improvements Act (Senate Bill 180) included a comprehensive facility condition assessment, the development of potential options for adaptive reuse of the facility, and a detailed property analysis at market price for consideration of potential sale of the property. Project requirements also included a request for public comment to obtain insight on the local area communities proposed options for the potential adaptive reuse of the former Delaware State Police Troop 7 property.

Discovery

The project team was comprised of StudioJAED's professional architects, electrical engineers, mechanical engineers, certified professional estimators, and facilities planners as well as environmental / civil engineers from Hillis-Carnes Engineering Associates, civil engineers from VanDemark & Lynch, and property appraiser from G.M. Records. Team members were responsible for conducting onsite inspections as well as collect, research, and analyze all scope specific information provided by the owner and other appropriate agencies / organizations.

Based on several collaborative meetings with the owner, the following primary areas of focus were determined necessary to accurately determine the current state conditions and develop reasonable options for future adaptive reuse of the property:

- Facilities Condition Assessment
- Phase I Environmental Site Assessment

EXECUTIVE SUMMARY

- Commercial Real Estate Appraisal
- Sussex County State Leased Space Analysis

Findings

Provided below is a summary of findings for each of the primary areas of focus for this study.

Facilities Condition Assessment

StudioJAED's team of professional architects and engineers conducted a visual inspection of all major building systems as well as site improvements required for the purpose of identifying deferred maintenance and capital renewal needs within the next (10) ten years. The assessment was performed based on a mutually defined set of standards and definitions to ensure consistency and accuracy of data. For more detail, refer to report section titled "Current State / Condition". The scope of work also included the



development of estimated capital costs to implement recommended repairs, restoration, or replacement of building systems and/or equipment.

Building Name	Estimated Construction Cost	% of Total Need
Main Building	\$ 1,021,088	74%
Garage	\$ 194,757	14%
Troop 7 Site	\$ 110,737	8%
Storage Building	\$ 46,095	3%
Project Total	\$ 1,372,678	100%

Table 1. A project level summary of estimated construction costs and relative percentage per building/site.

A "Prioritization of Need" was established to classify the urgency of recommended improvements to be performed. The 10 year prioritization model applied is as follows:

Priority I - Immediate

- Work should be performed immediately
- Potential safety or security risk

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Priority 2 - High

- Work to be performed in 1-2 years
- Asset has reached the end of useful life

Priority 3 - Medium

- Work to be performed in 3-5 years
- Asset will reach end of useful life soon

Priority 4 - Low

- Work to be performed in 6-10 years
- Anticipated need for repair or replace

Priority Name	Estimated Construction Cost	% of Total Need
Priority 1	\$ 2,189	0.2%
Priority 2	\$ 906,968	66%
Priority 3	\$ 318,000	23%
Priority 4	\$ 145,522	11%
Project Total	\$ 1,372,678	100%

Table 2. A project level summary of estimated construction costs and relative percentage by recommended priority.

System Type	Estimated Construction Cost	% of Total Need
Building Envelope	\$ 172,222	13%
Electrical	\$ 355,787	26%
Interior Architecture	\$ 365,417	27%
Mechanical	\$ 83,141	6%
Plumbing	\$ 138,861	10%
Site Improvements	\$ 257,250	19%
Project Total	\$ 1,372,678	100%

Table 3. A project level summary of estimated construction costs and relative percentage by system type.

Phase I Environmental Site Assessment

Hillis-Carnes Engineering Associates, Inc. (HCEA) prepared a Phase I Environmental Site Assessment (ESA) of the former Delaware State Police Troop 7 facility located at 18006 Coastal Highway, Lewes, Delaware. The assessment



EXECUTIVE SUMMARY

revealed no evidence of Recognized Environmental Conditions (RECs) in connection with the Site with the exception of the following: 1) the possible subsurface impact to soil and groundwater associated with the former 8,000 gallon gasoline UST; and 2) the possible impact to subsurface soil and groundwater associated with the operation of an on-site oil water separator and drainfield.

In March 2020, the Delaware Department of Natural Resources and Environmental Control (DNREC) Tanks Compliance Branch concluded:

“Currently, no further action (NFA) is required at the above referenced location at this time, as long as the residual contamination onsite remains undisturbed or the use of the site does not change.”

Commercial Real Estate / Land Appraisal

G.M. Records, Inc. prepared a Land Appraisal Report of the 18006 Coastal Highway property located in Lewes,



Sussex County, Delaware. The purpose of the appraisal was to estimate the fair market value of the aforementioned property for and the consideration and development of potential adaptive reuse alternatives. Key factors that impacted recommendations for highest and best use of the property include:

- “The property “As Is” is not improved to its highest and best use.”
- “The frame modular office structure is only in fair condition and would not easily be converted to retail commercial use.”
- “The land “As If Vacant” represents the property’s highest and best use.”

Based on the final value estimate of \$18.00 per square foot and a total of 5.06 total useable acres, the estimated land appraisal value is \$3,968,000.

EXECUTIVE SUMMARY

Sussex County State Leased Space Analysis

The Bond Bill required consideration for the potential relocation of existing state operations or services in the eastern Sussex County region. Of the (23) twenty-three State of Delaware operated agencies and/or services occupying leased space in Sussex County as of February 2020, only (3) three leasing tenants met all parameters based on location, lease expiration, and available space.

Public Comment

Fifty-five community members responded to the request for public comment of which fifty-two suggested the adaptive reuse for Homeless Shelter and Rehabilitation.

Options Analysis

Based on outcomes learned in the discovery process from the facilities condition assessment, the environmental site analysis, the land use appraisal, and all other efforts, the

following options have been identified for consideration by the State of Delaware as potential adaptive reuses of the 18006 Coastal Highway property located in Lewes:

Option 1 - Renovate existing structures and relocate state operations or services from leased space.

- Analysis of current leased space by state operations or services located in the eastern Sussex County resulted in 3 potential candidates based solely on square feet available.

Option 2 - Divide property into two parcels (utilizing one or both of the scenarios listed below):

- Utilize non-developed west side for potential new hub of single or shared state agency operations and equipment maintenance. If pursued, this strategically positioned location would provide additional services needed to support growing beach area demands and improve responsiveness with future access to rear side of site from adjacent properties.

EXECUTIVE SUMMARY

- Demolish existing structures and paving on the east side to construct office space for government operations. A capacity analysis was performed and concept site plans developed based on thorough review of existing codes and known constraints of the property's east side. The site can support up to a 25,000 square foot two-story office building or a 30,000 square foot three-story office building with adequate parking and measures for stormwater. An order of magnitude construction budget based on prevailing wage in today's dollars ranges from \$9,299,499 at \$371.98 per square foot to \$11,489,145 at \$382.97 per square foot accordingly. Concept designs and estimated construction budgets are provided in the Appendix 10 & 11.

Option 3 - Repurpose existing structures on the east side by permitting qualified non-profits use of the building, providing needed social services for the local community.

- Based on public comments received, the local

community has advocated for existing facilities to be repurposed into a homeless shelter with associated rehabilitation services.

Option 4 - Divide property into two land only "As If Vacant" parcels and sell each outright on the open real estate market.

- This options requires all existing structures to be demolished and disturbance of soils to be addressed to achieve the land only "As If Vacant" parameter. Prior to outright sale and development as retail commercial on the open real estate market, significant discussion and planning with state agencies will be required to determine mutually agreeable access to west side of parcel from adjoining commercial properties as no additional access off the highway is permitted by DelDOT.

Option 5 - Demolish all existing structures and retain property for potential future use.

STUDY OBJECTIVES

FY' 2020 Bond Bill Directive

StudioJAED was contracted by the State of Delaware, Division of Facilities Management in August 2019 to perform an Adaptive Reuse Study of the Delaware State Police Troop 7 facility located at 18006 Coastal Highway, Lewes, Delaware. The scope of work as defined in Section 31 of the Delaware Bond and Capital Improvements Act (Senate Bill 180) includes the following objectives:

- A. To assess the condition and functionality of the facility;
- B. To provide options for the potential adaptive reuse of the facility to include, but not limited to, locating existing state operations to this facility or locating services to the eastern Sussex County region; and
- C. To consider the potential for the sale of the property at market price with proceeds being returned to the State.

GENERAL PROPERTY DESCRIPTION



OWNER:	State of Delaware
OCCUPANT:	Formerly Delaware State Police Troop 7
LOCATION:	18006 Coastal Highway, Lewes, Sussex County, Delaware.
TAX PARCEL NO:	334-6.00-526.01
ZONING:	C-1 / General Commercial District
LAND AREA:	7.16 ± Acres (per Sussex County)
NET USEABLE AREA:	5.06 ± Acres (approximately 2.10 Acres of wetlands)
PUBLIC UTILITIES:	Yes. All public utilities present.
BUILT STRUCTURES:	Main Building / Police Barracks (5,500 ± gross square feet including basement) Garage / Maintenance Garage (1,920 ± gross square feet) Storage Building / Evidence Storage (2,048 ± gross square feet)

CURRENT STATE / CONDITION

Approach & Methodology

The development of appropriate adaptive reuse options for the Troop 7 property and associated facilities necessitated a thorough analysis of existing conditions to establish an accurate reflection of the current state. StudioJAED's first steps in the discovery process focused on developing a shared understanding of both general and technical knowledge through interviews with the Division of Facilities Management (DFM) leadership and project manager, the current building user, and supporting facilities maintenance professionals. Our team of professionals included registered / licensed architects, civil engineers, electrical engineers, mechanical engineers, environmental specialists, certified professional estimators, and a certified property appraiser.

StudioJAED's three prong approach targeted the following independent analyses:



FACILITIES CONDITION ASSESSMENT



Facilities Condition Assessment

Based on collaboratively defined standards and definitions, the onsite assessment team performed a visual inspection of all major building systems as well as site improvements required for the purpose of identifying deferred maintenance and capital renewal needs within the next (10) ten years. Recommended improvements to address the transition of specialized law enforcement related spaces into more typical “office” building use were also captured and recorded. The condition assessment scope of work included the identification of stewardship-focused corrective actions and estimated capital costs to implement significant repairs, restoration, or replacement of the following systems or components:

- Building Envelope
- Roofing Systems
- Exterior Walls, Windows, Doors
- Interior Construction & Finishes
- HVAC Systems
- Electrical Power / Distribution
- Lighting Systems
- Telecommunications
- Plumbing Systems
- Fire Protection / Life Safety Systems
- Elevators / Lifts / Ramps
- Hazardous Abatement
- Security Systems
- Exterior Building / Site Lighting
- Sidewalks / Building Perimeter
- Pedestrian & Vehicular Access / Flow

ASSESSMENT STANDARDS & DEFINITIONS

Prioritization of Need

Recommended corrective actions to repair and/or replace a building system or component were assigned a priority which classified the urgency of the work to be performed. The 10 year prioritization model utilized was based on an industry standard, 4 tier approach.

Priority 1 - Immediate

Work should be performed immediately
Potential safety or security risk

Priority 2 - High

Work to be performed in 1-2 years
Asset has reached the end of useful life

Priority 3 - Medium

Work to be performed in 3-5 years
Asset will reach end of useful life soon

Priority 4 - Low

Work to be performed in 6-10 years
Anticipated need for repair or replace

Justification

Recommended corrective actions were assigned one of the criteria listed below to provide an explanation or reasoning as to “why” the capital improvement was needed based on visual inspection and information provided.

Accessibility

Codes / Standards

Damage

Energy Conservation

Environmental Improvements

Function / Functional (Maintenance)

Life Safety

Security

Useful Life (Wear)

Category

Recommended corrective actions were assigned a “correction category” criterion to identify the type of expenditure required to address the need.

Deferred Maintenance

Addressed maintenance repairs, restoration, or replacement of an EXISTING building system or component.

Capital Improvement

Addressed non-existent or non-compliant building system or component required to meet general code including ADA related compliance.

Cost Estimates

The Deferred Maintenance & Asset Renewal Report provides a detailed description of recommended improvements with associated costs.

Estimated Construction Cost

Cost estimates were developed based on a typical General Contractor construction delivery model with owner defined soft cost allowances applied. Escalation was not included as it should be added based on the construction timeline to complete improvements.

Burdened Construction Cost

Equals the Estimated Construction Cost times a 7% allowance to adjust for other typical capital expenditures included when calculating replacement values.

Facility Condition Index

The Facility Condition Index (FCI) is an industry-wide accepted metric to evaluate the current condition of a building and/or property.

The FCI is equal to:

$$\frac{\text{Burdened Construction Cost}}{\text{Building Replacement Cost}}$$

Although industry standard FCI rating categories are fairly common (Good, Fair, Poor, Critical, Divest), the interpretation and actual value ranges assigned are not. Bottom line, the closer a numeric value is to 1.00, the more appropriate consideration should be to build new than invest in a major renovation.

MAIN BUILDING ASSESSMENT SUMMARY

GENERAL BUILDING INFORMATION

BUILDING NAME(S):

Main Building / Police Barracks

FUNCTIONAL USE:

Former Police Station and Administrative Offices

CONSTRUCTION YEAR:

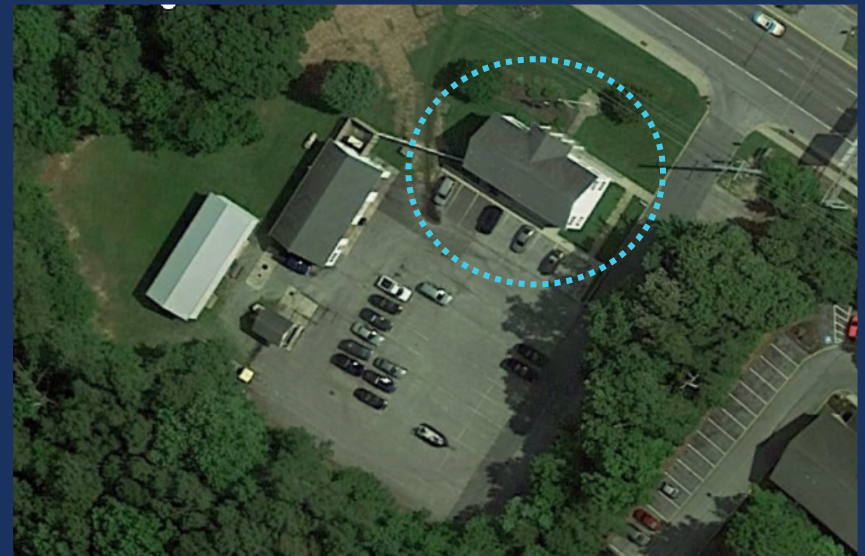
Constructed mid-1980s

ESTIMATED TOTAL AREA:

5,500 ± gross square feet including basement

NUMBER OF FLOOR(S):

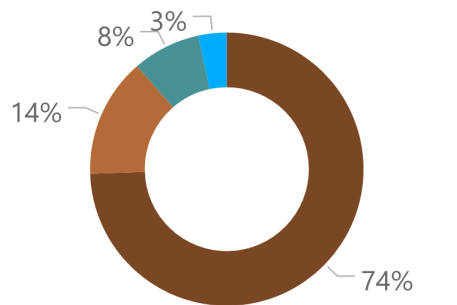
2 Floors plus partial basement



MAIN BUILDING IMPROVEMENT ANALYSIS

Data is based on the comprehensive Deferred Maintenance & Asset Renewal Report provided in Appendix 3.

Percent of Total Construction Cost



● Main Bldg ● Garage ● Site ● Storage

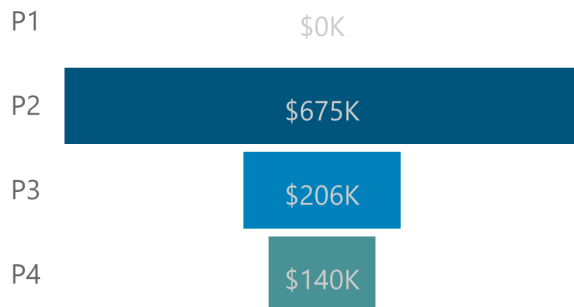
Estimated
Construction Cost

\$1.03M

Estimated
Burdened Cost

\$1.10M

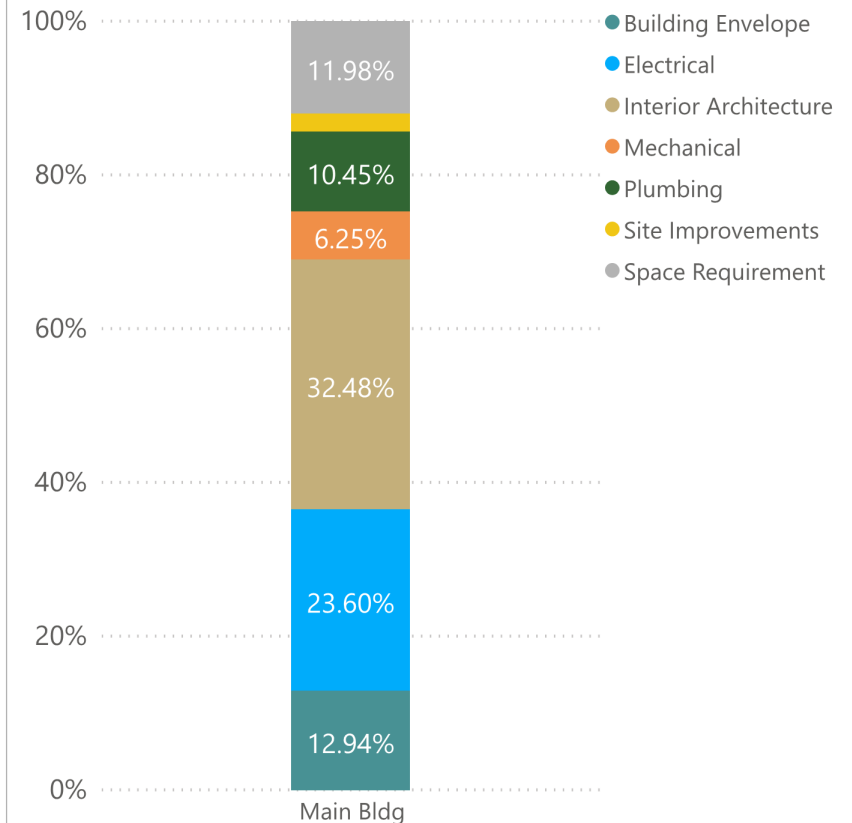
Priority of Needs Analysis



Facility Condition
Index (FCI)

0.77

Cost Analysis by System



MAIN BUILDING PHOTO LOG



MAIN BUILDING PHOTO LOG



MAIN BUILDING PHOTO LOG



MAIN BUILDING PHOTO LOG



GARAGE ASSESSMENT SUMMARY

GENERAL BUILDING INFORMATION

BUILDING NAME(S):

Garage / Maintenance Garage

FUNCTIONAL USE:

Garage / General Vehicle Maintenance

CONSTRUCTION YEAR:

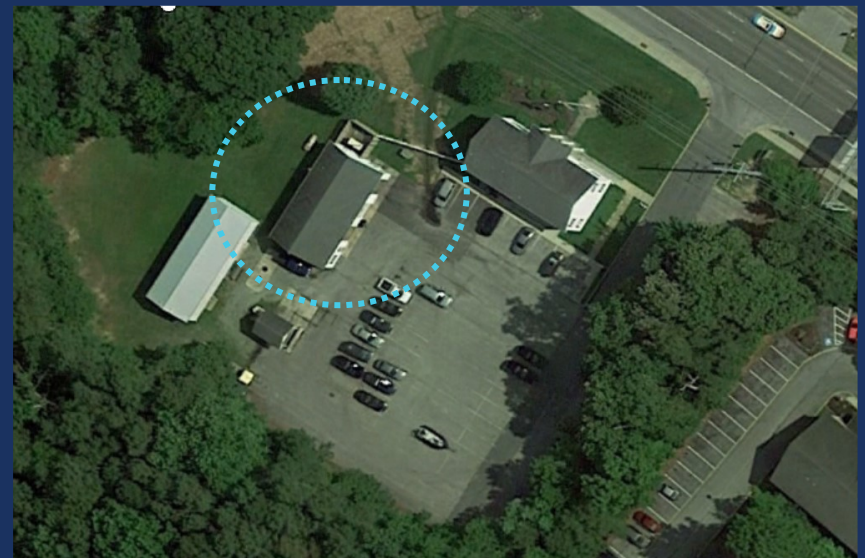
Constructed mid-1980s

ESTIMATED TOTAL AREA:

1,920 ± gross square feet

NUMBER OF FLOOR(S):

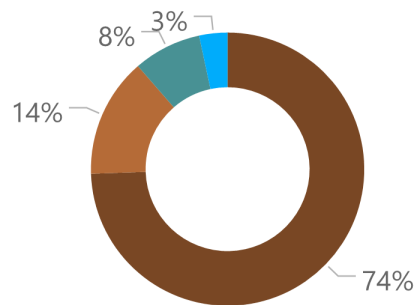
1 Floor



GARAGE IMPROVEMENT ANALYSIS

Data is based on the comprehensive Deferred Maintenance & Asset Renewal Report provided in Appendix 3.

Percent of Total Construction Cost



● Main Bldg ● Garage ● Site ● Storage

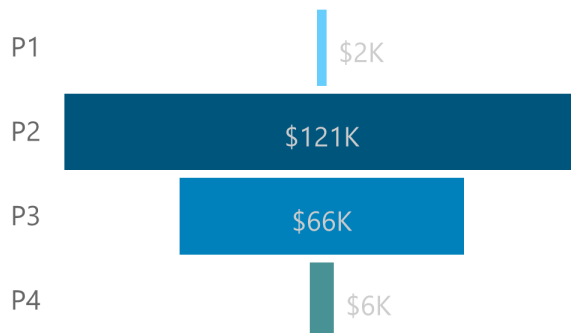
Estimated
Construction Cost

\$194.76K

Estimated
Burdened Cost

\$209.36K

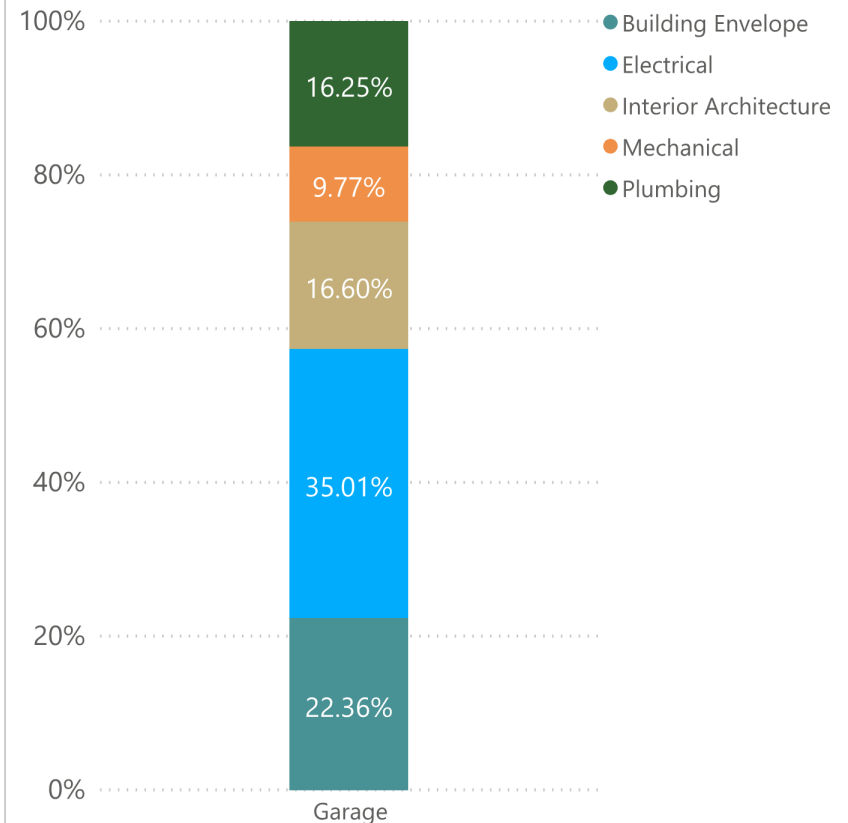
Priority of Needs Analysis



Facility Condition
Index (FCI)

0.57

Cost Analysis by System



GARAGE PHOTO LOG



GARAGE PHOTO LOG



STORAGE BUILDING ASSESSMENT SUMMARY

GENERAL BUILDING INFORMATION

BUILDING NAME(S):

Storage Building / Evidence Storage

FUNCTIONAL USE:

Secured Storage

CONSTRUCTION YEAR:

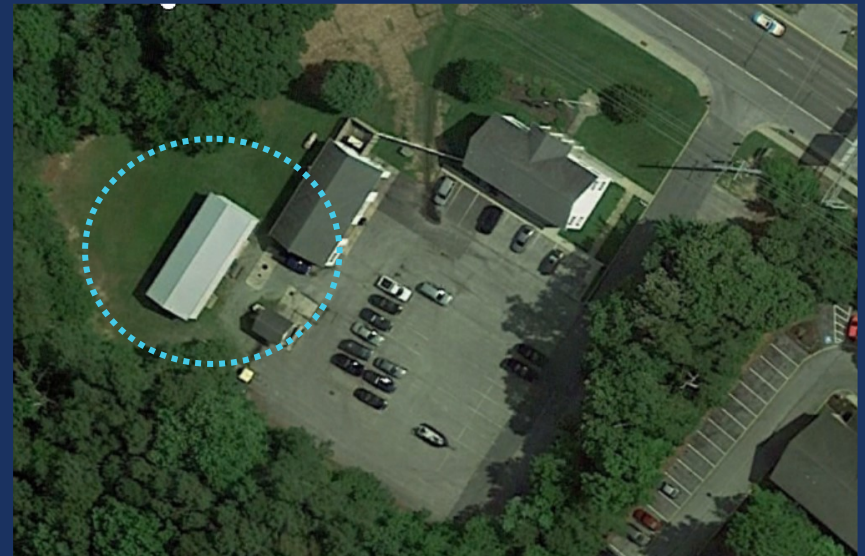
Constructed 2000

ESTIMATED TOTAL AREA:

2,048 ± gross square feet

NUMBER OF FLOOR(S):

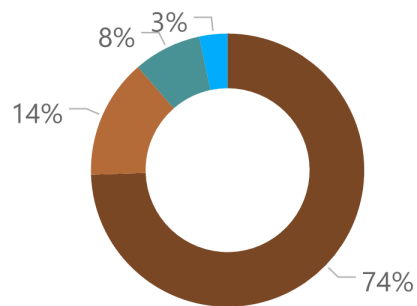
1 Floor



STORAGE BUILDING IMPROVEMENT ANALYSIS

Data is based on the comprehensive Deferred Maintenance & Asset Renewal Report provided in Appendix 3.

Percent of Total Construction Cost



● Main Bldg ● Garage ● Site ● Storage

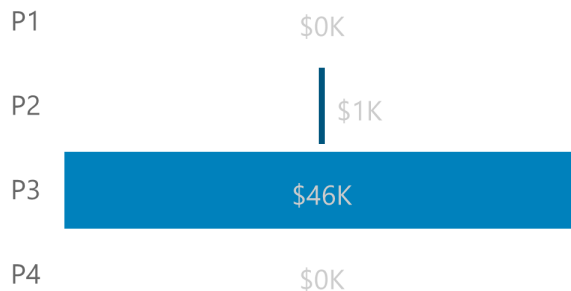
Estimated
Construction Cost

\$46.10K

Estimated
Burdened Cost

\$49.55K

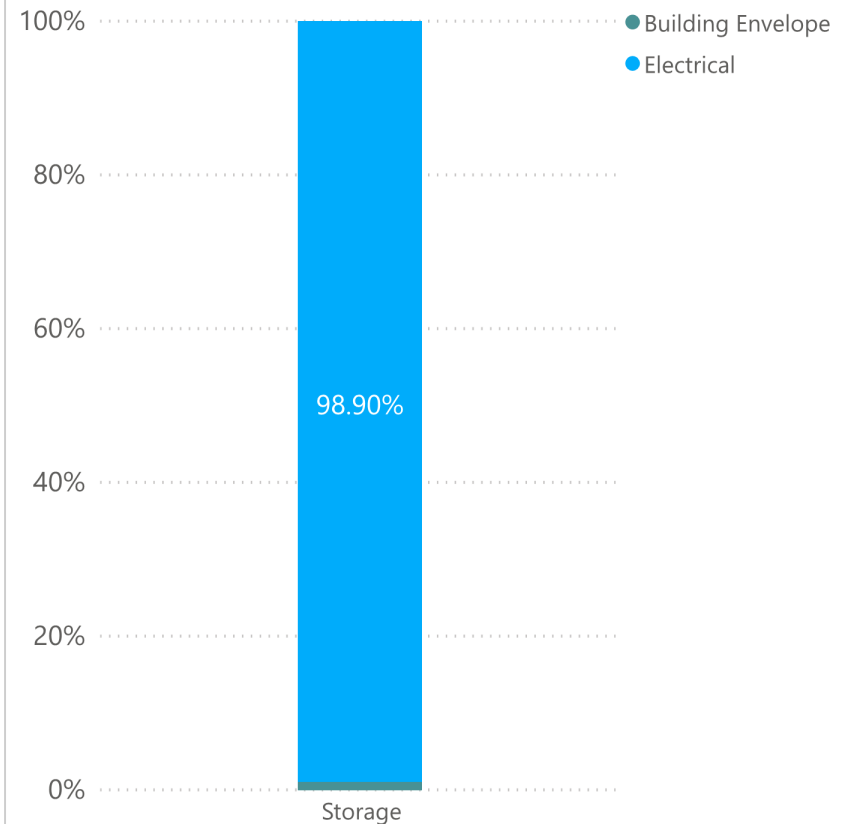
Priority of Needs Analysis



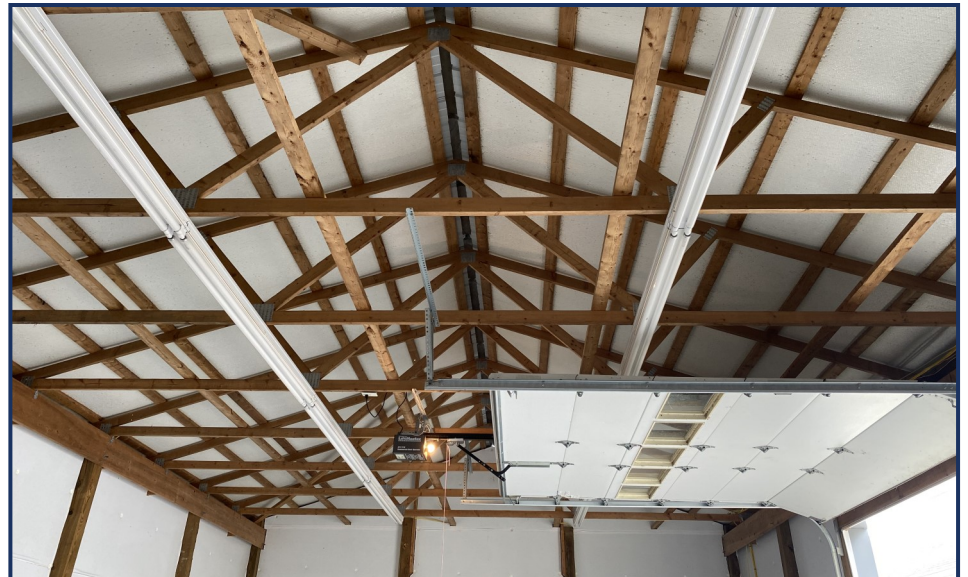
Facility Condition
Index (FCI)

0.24

Cost Analysis by System



STORAGE BUILDING PHOTO LOG



STORAGE BUILDING PHOTO LOG



TROOP 7 SITE ASSESSMENT SUMMARY

GENERAL BUILDING INFORMATION

BUILDING NAME(S):

Troop 7 Site / Site

FUNCTIONAL USE:

Developed portion of property providing vehicular & pedestrian access to former Troop 7 facilities

CONSTRUCTION YEAR:

Constructed mid-1980s with modifications thru 2019

ESTIMATED TOTAL AREA:

9,468 ± gross square feet (all facilities)

NUMBER OF STRUCTURES:

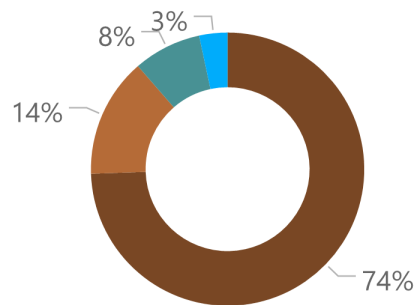
3 built structures



TROOP 7 SITE IMPROVEMENT ANALYSIS

Data is based on the comprehensive Deferred Maintenance & Asset Renewal Report provided in Appendix 3.

Percent of Total Construction Cost



● Main Bldg ● Garage ● Site ● Storage

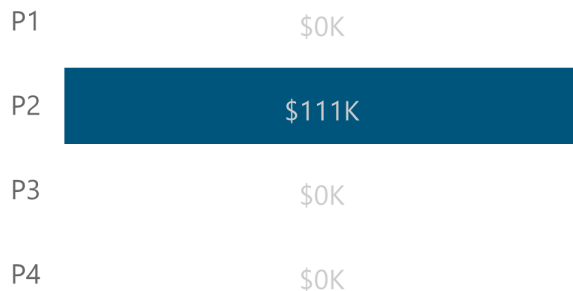
Estimated
Construction Cost

\$110.74K

Estimated
Burdened Cost

\$119.04K

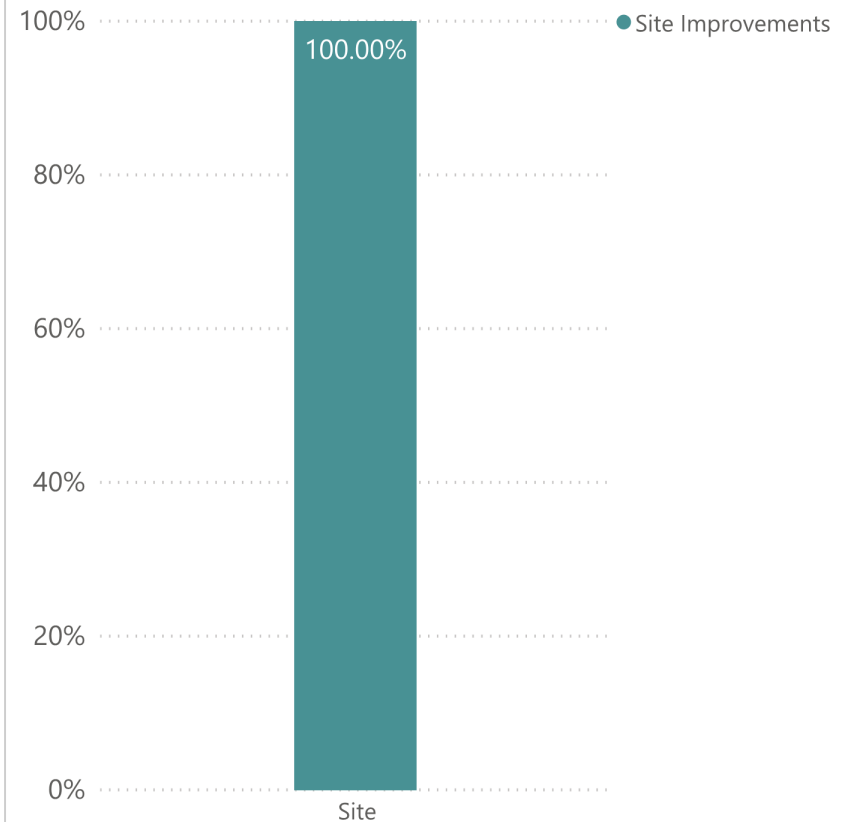
Priority of Needs Analysis



Facility Condition
Index (FCI)

NA

Cost Analysis by System



TROOP 7 SITE PHOTO LOG



TROOP 7 SITE PHOTO LOG



TROOP 7 SITE PHOTO LOG



TROOP 7 SITE PHOTO LOG



COMPREHENSIVE PROPERTY-WIDE SUMMARY

GENERAL PROPERTY INFORMATION

ALL PROJECT BUILDING NAMES:

Main Building / Police Barracks

Garage / Maintenance Garage

Storage Building / Evidence Storage

Troop 7 Site / Site

ALL CONSTRUCTION YEAR(S):

Constructed mid-1980s with modifications thru 2019

ALL ESTIMATED TOTAL AREA:

9,468 ± gross square feet (all facilities)

ALL PUBLIC UTILITIES:

Tidewater water and sewer.

Potable water well. Not in use.

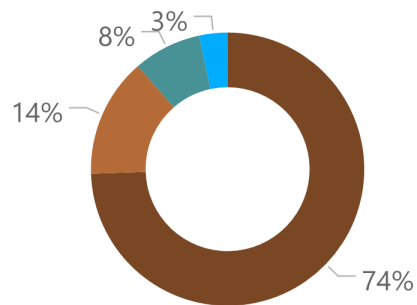
Septic system. Not in use.



COMPREHENSIVE IMPROVEMENT ANALYSIS

Data is based on the comprehensive Deferred Maintenance & Asset Renewal Report provided in Appendix 3.

Percent of Total Construction Cost



● Main Bldg ● Garage ● Site ● Storage

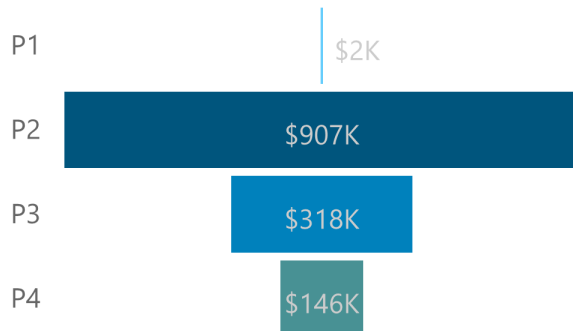
Estimated
Construction Cost

\$1.38M

Estimated
Burdened Cost

\$1.48M

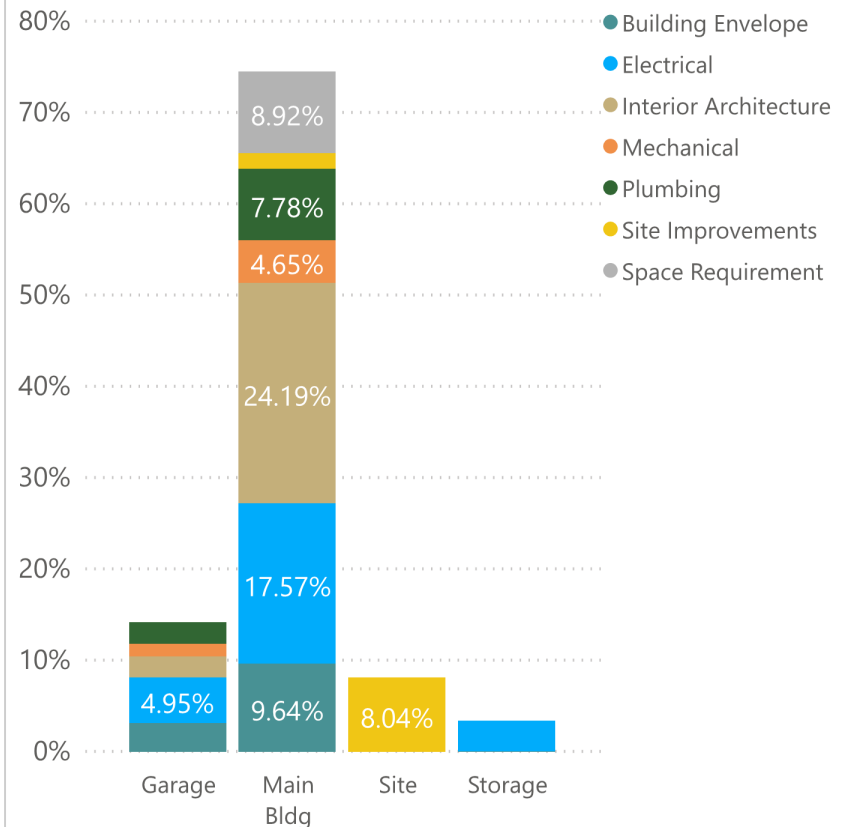
Priority of Needs Analysis



Facility Condition
Index (FCI)
Main Bldg + Site

0.85

Cost Analysis by System



PHASE I ENVIRONMENTAL SITE ASSESSMENT



Phase I Environmental Site Assessment

General Overview

Hillis-Carnes Engineering Associates, Inc. (HCEA) prepared a Phase I Environmental Site Assessment (ESA) of the former Delaware State Police Troop 7 facility located at 18006 Coastal Highway, Lewes, Delaware. HCEA's final report affirms that the assessment was conducted in general conformance with the "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process", as defined by the American Society for Testing and Materials (ASTM) in ASTM Designation E1527-13.

HCEA Report / Section 1.0 Summary

"Hillis-Carnes Engineering Associates, Inc. (Hillis-Carnes) was retained by StudioJAED (Client/User) to perform a Phase I Environmental Site Assessment (ESA) of the 18006 Coastal Highway Property in Lewes, Delaware hereafter referred to as the Site. The assessment included a site reconnaissance, an area reconnaissance, a regulatory database review, a historic record search, and interviews. This Phase I ESA was conducted in general conformance with the "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process", hereafter referred to as the ASTM E1527-13 Standard Practice, as defined by the American Society for Testing and Materials (ASTM) in ASTM Designation E1527-13 (refer to Section 2.1).

The Site includes 7.16 acres of land in a polygonal shape adjacent to the south of Coastal Highway. The Site includes the former Troop 7 Police Barracks, a car maintenance building, and a storage building. Troop operations have been

SUMMARY

moved to a new location. The Site is currently only accessed by Police Officers and contractors for the purpose of moving the operation to the new offsite location. The improvements are located on the eastern portion of the Site with the remainder of the Site occupied by wooded lands. From the early 1900s until the early to mid-1980s the Site included virgin wooded lands. The present day barracks and maintenance building were constructed in the mid-1980s. Onsite vehicle maintenance of police cars has occurred during the duration of operation of the police barracks. Two underground storage tanks (USTs) were removed from the Site in 1999-2000. An evidence storage building was constructed onsite in 2000. A third UST was removed from the Site in 2019. Access to the Site is provided via an entrance from Coastal Highway northeast of the onsite improvements.

Additional information pertaining to site observations, area reconnaissance, regulatory agency records review, historical records review, interviews, etc. is included in the text of this report and is also generally summarized in Section 8.0 of this report.

In summary, this assessment has revealed no evidence of Recognized Environmental Conditions (RECs) in connection with the Site with the exception of the following: 1) the possible subsurface impact to soil and groundwater associated with the former 8,000 gallon gasoline UST; and 2) the possible impact to subsurface soil and groundwater associated with the operation of an on-site oil water separator and drainfield. Based on the findings of this assessment, it is HCEA's opinion that additional environmental investigation at the Site appears to be warranted. It must be noted that at the time of completion of this assessment, information regarding the removal of the 8,000 gallon gasoline UST was not available. This represents a significant data gap for the Site."

See Appendix 4 for the complete report.

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Underground Storage Tank Removal

StudioJAED confirmed that (1) 8,000 gallon regular gasoline underground storage tank system was removed on December 10, 2019 by Coastal Pump & Tank, Inc.. All required soil sampling and documentation were issued to the Delaware Department of Natural Resources and Environmental Control (DNREC) for review. The DNREC Tanks Compliance Branch issued an official No Further Action Required “with Conditions” Report on March 2, 2020 that states as follows:

“Currently, no further action (NFA) is required at the above referenced location at this time, as long as the residual contamination onsite remains undisturbed or the use of the site does not change.”

See Appendix 5 & 6 for the complete report.



SUMMARY



Net Useable Acreage

Provided below is an excerpt from HCEA's report regarding the determination of net useable acreage at the 18006 Coastal Highway property located in Lewes, Delaware.

HCEA Report / Section 6.2

For the purpose of this study, net useable acreage is defined as area of the Site which is not occupied by wetlands. The wetlands area was determined by review of available National Wetlands Inventory maps and State Arc GIS Mapping utilities available online. Areas defined by the referenced utilities were then overlain onto the Site via

Environmental Data Resources drawing tool which provides acreage. The acreage was subtracted from the total Site acreage to arrive at the net useable acreage quantity. The Site is reported to include 7.16 acres of land in total by the Sussex County, Delaware online mapping utility. Approximately 2.10 acres of land were depicted to include wetlands determined by the sources and utilities specified. The net useable acreage is estimated to be 5.06 acres. It appears approximately 65 percent of the net useable acreages lies on the eastern half of the Site; therefore, 3.29 acres of net useable acreage is estimated to lie on the eastern portion of the Site with the remaining 1.77 acres of net useable acreage lying on the western portion of the Site. See Appendix 4 for the complete report.

PHASE I ENVIRONMENTAL SITE ASSESSMENT



PARCEL & WETLANDS





PHASE I ENVIRONMENTAL SITE ASSESSMENT



December 27, 2019

Wetlands

-  Estuarine and Marine Deepwater
-  Estuarine and Marine Wetland

-  Freshwater Emergent Wetland
-  Freshwater Forested/Shrub Wetland
-  Freshwater Pond

-  Lake
-  Other
-  Riverine

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

National Wetlands Inventory (NWI)

PARCEL & WETLANDS



LAND APPRAISAL REPORT SUMMARY



Commercial Real Estate Appraisal

General Overview

G.M. Records, Inc. prepared a Land Appraisal Report of the 18006 Coastal Highway property located in Lewes, Sussex County, Delaware. The firm states that the report was prepared in accordance with the standards and requirements of the Uniform Standards of professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation and Title IX of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. The purpose of the appraisal was to estimate the fair market value of the aforementioned property for and the consideration and development of potential adaptive reuse alternatives. See Appendix 7 for the complete report.

Highest and Best Use

Provided below are key excerpts from the appraisal regarding recommended highest and best use of the property:

- “The property “As Is” is not improved to its highest and best use.”
- “The frame modular office structure is only in fair condition and would not easily be converted to retail commercial use.”
- “The land “As If Vacant” represents the property’s highest and best use.”

LAND APPRAISAL REPORT SUMMARY



For clarification, the property is located on a single parcel which is naturally divided by a forested wetlands area. This creates room for potential consideration of the independent development of the net useable acreage on both east and west sides of the wetlands. Note that the Land Appraisal Report does not take into consideration any restrictions or requirements which may be imposed by other State Agencies such as the Delaware Department of Transportation, the Sussex County Conservation District, and others. (See Appendix 9)

Estimated Land Appraisal Value

The final value estimate as defined in the Land Appraisal Report is \$18.00 per square foot of useable area. Based on understanding that (1) acre is equal to 43,560 square feet, the estimated land appraisal value is calculated as follows:

Useable Acreage EAST Side:	3.29 acres / 143,312.4 SF	=	\$2,579,623.20	rounded to	\$2,580,000
Useable Acreage WEST Side:	1.77 acres / 77,101.2 SF	=	\$1,387,821.60	rounded to	\$1,388,000
Useable Acreage TOTAL:	5.06 acres / 220,416.6 SF	=	\$3,966,444.80	rounded to	\$3,968,000

SUSSEX COUNTY - STATE LEASED SPACE

Leased Space Analysis

The Bond Bill states that the adaptive reuse study must consider the potential relocation of existing state operations or services in the eastern Sussex County region to the 18006 Coastal Highway property. There were (23) twenty-three State of Delaware operated agencies and/or services occupying leased space in Sussex County as of February 2020. As shown in the table to the right, data was sorted based on the “Lease Expiration” field. Additionally, all leased “Area” equaling 5,500 square feet or less has been highlighted in green as this represents the estimated gross square feet of the Main Building.

From the tenants listed, (2) two leases were up for renewal prior to the release of this study and (2) two indicated a planned new location in a non-leased space. Of the (19) nineteen leased spaces remaining, (1) one lease expires in 2020 and (5) five other leases expire in 2021. Programmatically, (4) four of the (6) six tenants can technically fit their current operation within the existing main building based on gross area square feet of space. This does not, however, take into account the pragmatic or functional adaptation of the former Troop 7 facilities to support any specific needs. From a location perspective, (2) two of the (6) tenants are located in Georgetown which don’t meet the Bond Bill requirement of eastern Sussex County region. Ultimately, only three leasing tenants met all parameters: (a) DHSS, Division of State Service Centers at 1200 SF; (b) First State Senior Center; and (c) Long Term Care / Residents Protection.

DATA ANALYSIS

TENANT NAME	ADDRESS	CITY	LEASE EXPIRATION	AREA (SQFT)	COMMENTS:
State Service Centers/Laurel	440 N. Poplar Street	Laurel	5/31/2019	9,043	Expired lease. Renewed TBD.
Air & Waste Management/Fish & Wildlife	21309 Berlin Rd, Sussex Suites, Suite 6	Georgetown	3/31/2020	4,850	Expired lease. Renewed TBD.
AOC/Office of Child Advocate	6 W. Market Street, Suite 1	Georgetown	6/30/2020	2,000	Moving to new Family Court bldg
Public Defender's Office	13 The Circle, Suite 200	Georgetown	6/30/2020	6,348	
State Service Centers / Storage for DHSS, Division of State Service Centers	251-256 N. E. Front Street Riverwalk Center, Suites 251 & 255	Milford	3/31/2021	1,200	
State Service Centers / Main Office for DHSS, Division of State Service Centers	251-256 N. E. Front Street Riverwalk Center, Suites 251 & 255	Milford	3/31/2021	16,240	
First State Senior Center / Division of Developmental Disabilities	291A N. Rehoboth Blvd	Milford	6/30/2021	4,450	
Long Term Care/Residents Protection	24 N W Front St., 1st and 2nd Floors, Windsor Building	Milford	10/31/2021	5,264	
Division of Water	21309 Berlin Rd, Sussex Suites, Suite 2	Georgetown	11/30/2021	3,200	
Probation & Parole	22883 Dupont Blvd	Georgetown	8/31/2022	4,160	
Attorney General	132B & C East Market Street	Georgetown	11/30/2022	3,288	
Insurance Commissioner	28 The Circle	Georgetown	12/17/2022	988	
Child Support Enforcement	Georgetown Professional Park, South Bldg, 20105 Office Circle	Georgetown	3/10/2023	6,697	
J. P. Court 2	35252 Hudson Way, Unit One	Rehoboth Beach	4/30/2023	3,544	
Developmental & Disabilities Services	5 Academy Street	Georgetown	7/31/2023	6,547	Moving to Stockley Campus
DSAMH/TASC	Sussex Suites, 21309 Berlin Road, Suites 7 & 10	Georgetown	5/31/2024	2,763	
Legislative	223 E. Market Street	Georgetown	3/31/2026	3,017	
Indust Affairs, Voc Rehab/Unemploy Insur/Train	2 South DuPont Blvd, Georgetown Plaza	Georgetown	10/16/2026	14,000	
Public Defender's Office	116 West Market Street	Georgetown	3/31/2027	5,300	
Revenue	422 N. Dupont Blvd	Georgetown	7/31/2028	7,729	
Management Services	Suites 245 and 247, Riverwalk Center	Milford	6/30/2029	6,440	
State Service Centers	13-15 S.W. Front Street & 18 N Walnut St	Milford	10/31/2030	34,960	
Probation & Parole	22855 Dupont Highway, Townsend Bldg	Georgetown	6/30/2033	15,300	

PUBLIC COMMENT SUMMARY

The Office of Management and Budget issued a request for public comment to obtain insight on the local area communities proposed options for the potential adaptive reuse of the former Delaware State Police Troop 7 property. A copy of the advertisement as printed in the Cape Gazette is provided as well as a summary of suggested options. All responses were categorized or grouped based on similarity in functional use.

See Appendix 8 for the complete report.



PUBLIC COMMENT SUMMARY



State of Delaware
Office of Management and Budget

REQUEST PUBLIC COMMENT *Future uses of the Delaware State Police Troop 7 Site*

The Office of Management and Budget is seeking public comment for the potential adaptive reuse of the previous Delaware State Police Troop 7 facility located at 18006 Coastal Highway, Lewes.



Photo by Ron Macarthur

Due to current restrictions on public gathering, all comments must be received by email or postal service no later than April 10, 2020. Comments can be submitted to Bert Scoglietti at the Office of Management and Budget at 122 Martin Luther King Jr. Blvd South, Dover DE 19901 or sent via email to robert.scoglietti@delaware.gov.

Note that a public meeting and/or additional comment period may be scheduled at a later date to solicit further public comments.

Suggested Adaptive Reuse Options

Responses

1	Homeless Shelter and Rehabilitation Usage	52
	Permanent Homeless Shelter (43)	
	*Code Purple Cold Weather Homeless Shelter (8)	
	**Love INC Comprehensive Community Campus (1)	
2	Justice of the Peace Court 2, Statewide Video Court with Community Court	1
3	Comprehensive Visitor Center / Rest Stop	1
4	Relocation of Nassau's Post Office	1

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*Immanuel Shelter is a non-profit cold weather shelter located in Rehoboth Beach, DE. Out of the 52 total responses for Homeless Shelter usage, 11 of responses specifically recommended partnering with the Immanuel Shelter.

**Love INC is an independent non-profit organization, owned and supported by local churches which oversees Code Purple Sussex County. As 1 of the responses under Homeless Shelter Usage, Love INC submitted an extensive Vision and Strategic Plan for a Comprehensive Community Campus.

OPTIONS DEVELOPMENT

Based on outcomes learned in the discovery process from the facilities condition assessment, the environmental site analysis, the land use appraisal, and all other efforts, the following options have been identified for consideration by the State of Delaware as potential adaptive reuses of the 18006 Coastal Highway property located in Lewes:

■ **Option 1 - Renovate existing structures and relocate state operations or services from leased space.**

- Analysis of current leased space by state operations or services located in the eastern Sussex County resulted in 3 potential candidates based solely on square feet available.

■ **Option 2 - Divide property into two parcels (utilizing one or both of the scenarios listed below):**

- Utilize non-developed west side for potential new hub of single or shared state agency operations and equipment maintenance. If pursued, this strategically positioned location would provide additional services needed to support growing beach area demands and improve responsiveness with future access to rear side of site from adjacent properties.
- Demolish existing structures and paving on the east side to construct office space for government operations. A capacity analysis was performed and concept site plans developed based on thorough review of existing codes and known constraints of the property's east side. The site can support up to a 25,000 square foot two-story office building or a 30,000 square foot three-story office building with adequate parking and measures for stormwater. An order of magnitude construction budget based on prevailing wage in today's dollars ranges from \$9,299,499 at \$371.98 per square foot to \$11,489,145 at \$382.97 per square foot accordingly. Concept designs and estimated construction budgets are provided in the Appendix 10 & 11.

■ **Option 3 - Repurpose existing structures on the east side by permitting qualified non-profits use of the building,**

providing needed social services for the local community.

- ☐ Based on public comments received, the local community has advocated for existing facilities to be repurposed into a homeless shelter with associated rehabilitation services.
- **Option 4 - Divide property into two land only “As If Vacant” parcels and sell each outright on the open real estate market.**
 - ☐ This options requires all existing structures to be demolished and disturbance of soils to be addressed to achieve the land only “As If Vacant” parameter. Prior to outright sale and development as retail commercial on the open real estate market, significant discussion and planning with state agencies will be required to determine mutually agreeable access to west side of parcel from adjoining commercial properties as no additional access off the highway is permitted by DelDOT.
- **Option 5 - Demolish all existing structures and retain property for potential future use.**

As a general note, the deferred maintenance assessment was conducted based on the position of repurposing the Main Building for typical office use. If the State chooses to renovate and repurpose the existing structures, the actual planned use will dictate systemic infrastructure and code related improvements required by todays standards including but not limited to: fire sprinkler / life safety systems, HVAC ventilation requirements, mechanical systems & equipment energy efficiencies, electrical system & equipment energy efficiencies, plumbing systems, elevator, and ADA code compliance.



Photo by Ron Macarthur

APPENDIX

- API - Delaware State Senate Bond Bill
- AP2 - Assessment Standards & Definitions
- AP3 - Deferred Maintenance & Asset Renewal Reports
 - Main Building Assessment Report
 - Garage Assessment Report
 - Storage Building Assessment Report
 - Troop 7 Site Assessment Report
 - Comprehensive Property-Wide Summary
- AP4 - Phase I Environmental Site Assessment
- AP5 - DNREC Underground Storage Tank Report
- AP6 - Underground Storage Tank Removal Report
- AP7 - Land Appraisal Report
- AP8 - Public Comment Summary
- AP9 - DeIDOT Planned Improvements Meeting Notes
- AP10 - New Construction Capacity Analysis
- AP11 - New Construction Estimated Budget



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